industry associations expressing their concern over the growing competition from multinational companies under the liberalized industrial policy.

(d) Policy measures already exist to safeguard and protect the interest of small scale industries. Government have announced a Comprehensive Policy Package to strengthen the small scale industries sector and enhance its domestic and global competitiveness. The package provides for *inter-alia,* easier access to credit, availability of collateral free composite loan upto Rs. 25.00 lakhs, marketing support, capital subsidy for technological upgradation and improved infrastructure. In addition, Government and the Reserve Bank of India have also announced various other measures/incentives including instructions to banks to provide credit to SSIs at interest within a band of 2% plus/minus their Prime Lending Rate (PLR), introduction of Laghu Udyami Card Scheme, selective enhancement of investment limits etc. to enable SSIs to compete successfully in the open market.

Separate law for SSI sector

1088. DR. T. SUBBARAMI REDDY: Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether Government have decided to formulate a separate law for the small scale industries sector;

(b) if so, whether he has held a meeting with the Finance Minister and head of various commercial banks to discuss the issue of extending credit facilities to SSI sector;

(c) whether drop in interest rates over the last few years has applied a squeeze on the spread of the Indian banking sector;

(d) if so, whether the Finance Minister had urged the banks to give maximum aid to small sector; and

(e) if so, by when a final decision in this regard is likely to be taken?

THE MINISTER OF STATE IN THE MINISTRY OF SMALL SCALE INDUSTRIES (SHRI TAPAN SIKDAR): (a) Government have formulated a draft legislation *viz.* "Small Enterprises Development Bill", which seeks to address concerns of the Small Scale Industries (SSIs) sector

related to credit, marketing, trade protection, labour related returns/ inspections, registration of SSI units, Government purchases, etc.

(b) As part of the formulation of the draft legislation, consultations have been carried out with various stakeholders including the Ministry of Finance, the Reserve Bank of India (RBI), financial institutions, etc. in addition, the issue of extending credit to the Small Scale Industrial (SSI) sector has been discussed with the heads and representatives of various commercials banks in the last meeting of the Reserve Bank of India's Standing Advisory Committee to review the flow of institutional credit to the SSI sector held on 1st Sept., 2003. The Committee is headed by the Deputy Governor, RBI and the Ministry of SSI and Ministry of Finance are also members. The Minister of State (Expenditure, Banking and Insurance) also took a meeting with the Chief Executives of the public sector banks on 25th June, 2003 in which the issue of lending SSI sector was discussed.

(c) As per the information received from RBI, the latest available balance sheet data for Scheduled Commercial Banks (SCBs) indicates an increase in spread for SCBs from 2.57 per cent in 2001 -02 to 2.77 per cent in 2002-03.

(d) and (e) Finance Ministry/RBI have already initiated policy measures to provide support to the small scale industries which *inter-alia* include simplified norms for computation of working capital, collateral free loan upto Rs. 25 lakhs in deserving cases, enhancement of composite loan to Rs. 50 lakhs, introduction of Laghu Udyami Credit Card Scheme, provision of credit at interest within a band of 2% plus/ minus their Prime Lending Rate (PLR) etc.

Sick SSIs

1089. SHRI RAJIV RANJAN SINGH 'LALAN':
SHRI KAPIL SIBAL:

Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether it is a fact that 36,227 small scale industrial units have fallen sick by the end of the year 2003;

†Original notice of the question was received in Hindi.